

PROPOSED PURCHASE OF LAND PREVIOUSLY KNOWN AS SARACENS CAR PARK

INTRODUCTION

At its meeting held on 11th March 2019, Hadnall Parish Council (HPC) proposed, seconded and resolved that they would submit a Community Infrastructure Local (CIL) application to Shropshire Council and apply for funding for:

- a) the provision of a games/recreational area with equipment within the village;
- b) the further improvement of pedestrian routes in the village (including the possible completion of the new path adjacent to the moat);
- c) a new parking area within the village

https://www.hadnallcouncil.co.uk/sites/default/files/minutes_11th_march_2019_final.pdf

As a result, applications including comprehensive 'technical checklists' and supporting Project Plans were submitted to Shropshire Council and progressed during 2019.

This report and Business Case outlines progress to date with the third of the three proposals above.

The proposed work involves the purchase of a piece of land formerly known as 'the Saracens Car Park' within the village of Hadnall. (see appendix A)

The land is currently privately owned and used by default as an open carpark. Historically it has been used as the parking for the old Saracens Restaurant until its closure in 2014/15.

The current owner of the site has applied for planning permission, 16/04990/FUL | Erection of four terraced dwellings; parking areas and boundary fencing | Saracens Car Park Shrewsbury Road Hadnall. That application is currently withdrawn pending this potential sale.

HPC proposes to purchase the site which will then provide overspill parking for the Church and Village Hall. Whilst this is the absolute intended use by the current Council, future Councils may consider other suitable opportunities to use or develop the site for the benefit of the wider community as public amenity space. Any future changes would be subject to full local community consultation.

Due diligence, in terms of any covenants that might exist on the land, a full independent market valuation and all other necessary legal searches would be carried out by HPC appointed legal representatives, prior to the completion of any sale.

COMMUNITY BENEFITS

The land would be owned by the Parish Council on behalf of the whole community. In the short term, it would continue to be used as a community car park.

The Council's view is that this is a key piece of land at the centre of the village that could be available for use as public amenity space over future years.

LEGISLATIVE POWER

Parish Councils have the power to provide and maintain suitable off-road parking places in the council's area to relieve or prevent traffic congestion or to preserve local amenities - Road Traffic Regulation Act 1984, s.57 (1)(b).

CONCERNS

Local residents have raised the following concerns:

- What will the land be used for?
- How will the land be managed?
- What happens if the land is misused?
- Who would be able to use the car park?
- Is the Parish Council able to meet the loan repayments, both now and in the future?
- Is the Parish Council planning to resell the land?

The responses to these concerns are covered elsewhere in this document and also in the minutes of the public meeting (27th July 2020).

COST ESTIMATE

THE LAND

The estimated purchase cost is £150,000.

VALUATION

The land has been valued by David Giles of Halls.

ESTIMATE OF OTHER COSTS IF THE BID IS SUCCESSFUL

YEAR ONE

Legal costs	£1700
Surveyor's costs	£400

ONGOING COSTS

At present, there would be no predicted major expenditure. Costs for basic maintenance of the car park are estimated at no more than £200 -500 per year.

The Parish Councils insurers are being consulted as to what additional cost would be involved for insurance.

INCOME

It is not intended to levy any parking charges. The land would not generate any income in the short term.

PARISH COUNCIL BUDGET

Details of the 2020/21 budget are attached. There are two versions:

- the original budget
- the revised budget including the predicted loan repayments

The Parish Council does have some reserves to cover unexpected contingencies. There is also built into the current budget an amount of capital expenditure for planned projects, such as the moat footpath and older children's play facility.

FUNDING REQUIREMENTS

OTHER SOURCES OF FUNDING

The Parish Council has been successful in obtaining £100,000 of funding for this purchase from Shropshire Council Via CIL Local funding, dependent upon the Parish Council's ability to raise the remaining amount.

PWLB LOAN

The proposal is to apply for a loan from the Public Works Loan Board. Current interest rates are very favourable. The fixed rate loan provides stability in terms of interest rates and clarity on what repayments would be for the duration of the loan. The Public Works Loan Board can also move fairly swiftly in decision-making.

THE IMPLICATIONS OF A LOAN ON THE PRECEPT

The Parish Council is able to meet the repayment costs without any increase to the precept.

LOAN MITIGATION

In case of financial difficulty in the future, the loan repayments could be met by one or more of the following actions:

- Using reserves
- Adjusting the budget to meet repayments by cutting back on other expenditure
- Increasing the precept

THE CONSULTATION PROCESS

A public meeting was held on 27th July 2020. The minutes of this meeting are attached. Due to government restrictions re COVID, the meeting was held online.

A six-week consultation was launched at the meeting. Responses could be made online or by post. The meeting and the consultation were publicised on the Parish Council website, in the local magazine, on the village Facebook page (1000 members) and on local notice boards.

The consultation period closed on 8th September 2020.

THE OUTCOME OF THE CONSULTATION

There were 73 online responses received between 28/07/20 and 08/09/20. No paper responses were received.

The consultation gave information about the proposal and then asked:

1. Having read the background information provided How much do you support or oppose the proposal to borrow the sum of £50k over a 30-year period?
2. Following up to the previous question, why do you feel that way?

In summary, 65% supported the proposal with 32% against. 3% of respondents were undecided.

RESOLUTION

At the Parish Council meeting of 14th September 2020, the council resolved as follows:

20/071

AU 08.10.20

c) Purchase

Council RESOLVED to proceed with the purchase of the land know as Saracens car park.
ACTION: JS to arrange for a formal valuation.

d) Resolution to borrow

It was RESOLVED to seek the approval of the Secretary of State for Housing, Communities & Local Government to apply for a PWLB loan of £50,000 over the borrowing term of 30 years for the purchase of the land know as Saracens car park.

It was AGREED to opt for the fixed rate loan (approx. 2.67%). The annual loan repayments will come to around £2414.

It is not intended to increase the council tax precept for the purpose of the loan repayments.

Appendix A: Plan of area to be purchased



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